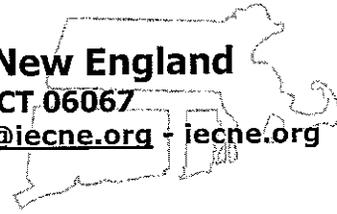




Independent Electrical Contractors of New England

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TO: Labor & Public Employees Committee

FROM: Lisa Stevens, Executive Director

DATE: March 3, 2011

RE: **SB-988, AN CONCERNING UNEMPLOYMENT COMPENSATION TAXES**

The Independent Electrical Contractors of New England (IEC-NE) **OPPOSES SB-988, which will increase payroll taxes in Connecticut, creating disincentives for employers to add jobs in this economy.**

SB-988 increases the Unemployment Compensation Trust Fund reserve goal to \$1.1 billion, which will result in increases taxes on Connecticut employers, who have already been struggling in a difficult economy. Payroll taxes are factored into an employer's decisions about whether to hire new employee or sub out work to others. We are very concerned, then, that this bill will further erode Connecticut's economy and stifle job growth.

Connecticut should look at ways of ensuring that the unemployment compensation system continues to be a temporary means of providing individuals with wages during short periods of unemployment. Unfortunately, it has become easier to qualify for unemployment and stay on unemployment for longer periods of time. Studies have shown that the longer someone is unemployed, the less likely it is that they will obtain a well-paying job. We therefore need to ensure that people have a strong incentive to return to work. We also need to strengthen the work search verification requirements to ensure that people are actively looking for a job. This will help reduce unemployment costs and support our economic recovery. .

The Independent Electrical Contractors of New England is the premier trade association representing Connecticut, Massachusetts and Rhode Island independent electrical contractors aggressively working with the industry to establish a free environment for merit shop -- a philosophy that promotes the concept of free enterprise, open competition and economic opportunity for all.

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